

January 28, 2014

Elizabeth A. Burke, MMC City Clerk

City of Flagstaff

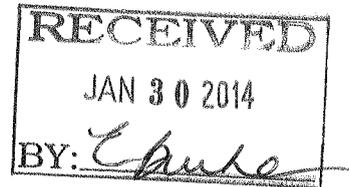
211 West Aspen

Flagstaff, Arizona 86001

Re: Formal Objection

Resolution 2014-03

Flagstaff Downtown Business Improvement and Revitalization District



Honorable Gerald Neighbors and Flagstaff City Council:

This letter is to establish my opposition to the formation of the Downtown Business Improvement District as presented. Listed below are some of the reasons and concerns for my opposition.

#### The Plan

The General Plan submitted for the proposed Flagstaff Downtown Business Improvement and Revitalization District does not meet the definition of a “plan”. Some of the definitions of the word plan are as follows: a set of actions that have been thought of as a way to do or achieve something; something that a person intends to do; a method for achieving an end; an often customary method of doing something; etc. With the absence of those items within “the plan” submitted, and on file with the City, there is no way for achieving an “educated decision” for the forming of such a District. It would be akin to hiring a contractor to work on your house, and without a plan, having him or her tell you, “give me your dollars, and I will make your house better”. I’m not sure there are too many people that would accept such a proposal.

#### District Board Structure

Arizona Revised Statutes (A.R.S. 48-6802) states that “The district shall be governed by an initial district board appointed by the governing body of each participating entity as follows:

1. If one municipality is participating in the district, the governing body of that municipality shall appoint three persons to serve on the initial board of directors. The three directors shall own real property in the district.

While achieving the requirements of the law, I would not necessarily support the number as representative of the “stake holders” as a whole. According to City files, and County records, there are 56 owners listed, for the 100 properties that reside within the “District map”.

## Taxation

All of the properties, with exception of those owned by the City and County, currently pay a property tax, which is meant to help support City and County services. The "District" proposes an additional tax from the property owners, to fund its operation. All of the services that were mentioned in the mailing titled Downtown Flagstaff B.I.D FAQs are currently provided by the City with current tax dollars. I see no value in paying twice for the same services. If a certain business/property owner has special needs above those currently provided, I believe it should be considered a function of the business/owner, and considered a "cost of doing business". I don't believe that I should pay for a business requiring extra trash services above what is provided. There is no obvious value or return.

There are additional services available that correspond to others mentioned:

- Tourism Commission
- Economic Vitality Administration providing for Community Investment, and Convention and
- Visitors Bureau as well as other services.
- Economic Development Office
- Flagstaff Chamber of Commerce
- Community Events

## Management Costs

Mentioned in several Staff reports is the "necessity" for the BID to hire a Director, Clerk, and Treasurer. The City of Flagstaff, as of this writing, has an open position (listed on City web site) for an Economic Development Manager, listing a large number of requirements that might be required by the Business Improvement District Director. The listing carries a salary range between \$65K, and \$96K D.O.E. For the sake of this example, the mid range of \$80K will be used. This example will also use a "burdened" rate of \$35K (estimate) to hire a clerk, and \$15K (estimate) for a part time treasurer. By adding just those costs alone, not counting for consumables, office space, etc., the total is \$130K. With an initial budget for the District of \$162.5K, management and operational cost could be in excess of 80% of the entire budget.

For the reasons listed, and others not listed, I do not support the forming of the Downtown Business Improvement District at this time, and urge the Mayor and Council to deny formation.

Thank you for your consideration,



Mary L. Scheuring

Mary L. Scheuring Revocable Living Trust representing two properties located within the District map.